

FISCAL NOTE

Bill #: HB 518

Title: Revise laws governing registration of special mobile equipment and trailers

Primary Sponsor: Maedje, R

Status: As introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	(\$5,866)	(\$6,175)
Revenue:		
General Fund	(\$30,495)	(\$32,100)
Net Impact on General Fund Balance:	(\$24,629)	(\$25,925)

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. HB 518 removes the requirement for special mobile equipment to have identification plates to be moved upon highways. The proposal also removes homemade devices used to haul a log loader or other equipment used in logging operations from the definition of special mobile equipment, and fees paid for such equipment.
2. Under current law, special mobile equipment makes annual application for plates and pays a \$5.00 fee.
3. It is unknown the number of homemade devices used to haul a log loader or other equipment used in a logging operation that are now registered each year. Revenues would decrease by the fees charged for such devices.
4. In calendar year 2004, there were 6,420 special mobile vehicles registered in Montana (DOJ).
5. Since the effective date of the bill is January 1, 2006, and approximately 95% of special mobile vehicles register in the second half of the fiscal year, the FY 2006 impact will be nearly a full year impact (95%).
6. Under the proposal, special mobile equipment would not pay the \$5.00 plate fee. General fund revenues would decrease approximately \$30,495 ((6,420 x \$5.00) x 95%) in FY 2006, and \$32,100 (6,420 x \$5.00) in FY 2007.

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(continued)

7. Department of Corrections anticipates savings in operating costs as a result of the elimination of the production of the special mobile license plates. The cost savings to the general fund would be approximately \$6,175 per year (FY 2006 savings is 95%).

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditure</u>		
Operating Costs	(\$5,866)	(\$6,175)
<u>Expenditure Funding</u>		
General Fund (01)	(\$5,866)	(\$6,175)
<u>Revenues:</u>		
General Fund (01)	(\$30,495)	(\$32,100)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$24,629)	(\$25,925)

LONG-RANGE IMPACTS:

The general fund would be reduced by approximately \$26,000 per year.

TECHNICAL NOTES:

1. Currently, personal property taxes on special mobile equipment that does not receive a personal property reporting form from the Department of Revenue, is paid when the special mobile plate is purchased at the local office. The proposal would change how, and when this special mobile equipment would pay the personal property taxes due.